

City of Detroit

CITY COUNCIL

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TO: Vincent Nathan, Ph.D., Director
Environmental Affairs

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 5, 2006

RE: 2006-2007 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2006-2007 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Pamela Scales, Budget Department Director
June Ellis, Budget Department Team Leader
Roger Short, Interim Chief Financial Officer
Kandia Milton, Mayor's Office

Environmental Affairs (22)

FY 2006-2007 Budget Analysis by the Fiscal Division

Summary

The Department of Environmental Affairs is a General Fund Agency. The Mayor's 2006-2007 Proposed Budget includes \$3.9 million in appropriations and \$4.2 million in revenues for this Department. The total appropriations reflect an increase of \$1.9 million or 98.9% from the 2005-2006 Budget of \$1.9 million, while the total revenues reflect an increase of \$949,265 or 28.9% from the 2005-2006 Budget of \$3.3 million. The Net Tax Cost to the City is (\$352,378).

2005-2006 Surplus/(Deficit)

The estimated surplus for the Department of Environmental Affairs in fiscal year 2005-2006 is \$68,860. This is attributable to a partial year vacancy, civil infraction fines ticketed and adjudicated, and other revenue collected or accrued.

Overtime

Salary overtime is budgeted at \$11,993, which is the same level as fiscal year 2005-2006. As of March 31, 2006, the department has expended \$3,954 on overtime, and has a remaining balance of \$8,039 for fiscal year 2005-2006. Overtime is budgeted at \$11,993 again for 2006-07.

Personnel and Turnover Savings

There are no projected personnel or turnover savings for fiscal year 2006-2007 in the Department of Environmental Affairs.

Following is information by appropriation comparing budgeted FY 2005-06 positions, March 31, 2006 filled positions and FY 2006-07 recommended positions.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2005-06</u>	<u>Filled Positions 3/31/2006</u>	<u>Mayor's Budget Positions FY 2006-07</u>	<u>Over/(Under) Actual to 05/06 Budget</u>	<u>Mayor's Recommended Turnover</u>
Environmental Affairs (22):					
00935 Environmental Affairs Admin.	10	9	10	(1)	\$ -
10844 Environmental Code Enforce.	12	12	37	0	\$ -
TOTAL	22	21	47	(1)	\$ -

Proposed Layoffs and Position Changes

The Mayor's 2006-2007 Proposed Budget includes a total increase of 25 positions. The 25 positions are composed of 24 transferred from the Department of Health and Wellness Promotion Rodent Impact Program and 1 position transferred from DPW. These position changes are detailed below.

<u>Cost Center</u>	<u>Appropriation/Cost Center Name</u>	<u>Title</u>	<u>Transfers</u>	<u>Layoffs</u>	<u>Total Positions</u>
220025	Compliance and Enforcement	Environmental Control Inspector	22	0	22
220025	Compliance and Enforcement	Principal Environmental Control Inspector	2	0	2
220025	Compliance and Enforcement	Environmental Specialist III	1	0	1
TOTAL			25	0	25

Significant Changes in Funding by Appropriation

Appro. Program

00935	Environmental Affairs	This appropriation increases \$218,206 in the Mayor's 2006-2007 Proposed Budget. This increase is primarily the result of a \$76,368 increase in Salaries and Wages, a \$116,151 increase in Employee Benefits, and a \$22,103 increase in Operating Supplies and Services.
10844	Environmental Code Enforcement	This appropriation increases \$1.7 million primarily due to increases of \$845,386 in Salaries and Wages, \$670,968 in Employee Benefits, and \$101,736 in Operating Supplies and Services. \$94,000 is also being requested for professional contractual staff. The increase reflects the addition of 25 inspectors to this program. The inspectors are being transferred in from the Health & Wellness and Public Works Departments.

Significant Revenue Changes

Appro Program

10844	Environmental Code Enforcement	Civil Infraction Fines increase \$1 million due to coordinated effort in the department for greater code enforcement.
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Environmental Affairs (22)

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2005-06 Budget</u>	<u>FY 2006-07 Recommended</u>	<u>Increase (Decrease)</u>
Environmental Affairs	\$ 182,811	\$ 182,811	\$ -
Environmental Code Enforcement	-	94,000	94,000
Total	<u>\$ 182,811</u>	<u>\$ 276,811</u>	<u>\$ 94,000</u>

Issues and Questions

1. Does the City have a citywide environmental management policy and plan that has been communicated to all City agencies?
2. One of the goals of the Department of Environmental Affairs is to protect and enhance the quality of life for citizens of Detroit. There is an \$87,520 increase in operating supplies that cover the cost to purchase bait for rodents. With that in mind, do you anticipate this will curtail the rodent population for an entire year?
3. The proposed budget includes \$94,000 for professional contract services. What services will be provided with these funds?
4. Does the Department still contribute \$150,000 to the Detroit Brownfield Redevelopment Authority to reimburse the Detroit Economic Growth Corporation for administrative services? If so, which appropriation/org. does the \$150,000 allocation come out of?
5. What mechanisms are in place to ensure collection of the budgeted revenue?

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